Faculty of
Finance and Banking

PRACTICAL GUIDE for young entrepreneurs



Institutional project

Improving financial knowledge and skills among young people in Romania

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1. What it means to be an entrepreneur

Being an entrepreneur means organising resources, selling a solution and owning the result: you can make money, but you can also lose it. You work on a product or service, find customers, negotiate, get paid, pay others and answer for what you promise. The table below gives a few examples of activities an entrepreneur can carry out, by field of activity:

Field	Example	What does the customer buy?
Production	Mărțișoare (spring trinkets), small furniture, 3D-printed products	A useful, safe product delivered on time
Retail	Online clothing and accessories shop	Choice, availability and delivery
Services	Design, programming, translation, photography	A result or a problem solved
Media and creative work	Influencer, YouTube, blog, vlog, podcast	Content, audience, promotion or usage rights

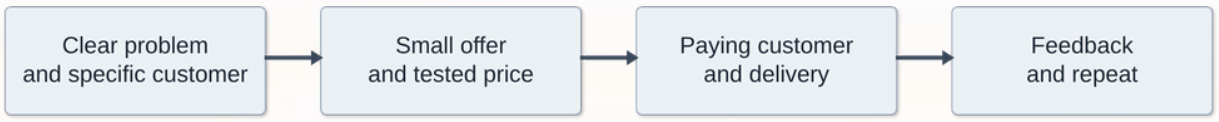
An idea becomes a business when there is demand

"I like editing videos" describes a skill.

"I make four clips a month for restaurants that want to attract customers" describes an offer.

The audience is not always the customer: on YouTube, the one who pays may be a platform or a brand.

The starting route



You test interest before making large investments, and you register before starting economic activity.

PRACTICAL TIP!

Talk to 10 potential customers. Ask what need or problem they have, how they solve it now and how much it costs them. An “I would buy it” is a signal; a paid order is better proof.

The best-known legal forms for a business that is just starting out are the **limited liability company (SRL)** and the **authorised sole trader (PFA)**. But for activities such as influencers or digital content creators, an accepted alternative is a copyright contract, which is, however, a tool for exploiting a protected work, not a legal form equivalent to a company.

Choosing the legal form starts from the nature of the activity!

Criterion	SRL	PFA	Copyright
Who carries out the activity	The company, a legal person separate from the individual who sets it up (called a shareholder)	The individual themselves. A PFA has no legal personality separate from the individual.	The author, for a protected work
When it may be suitable	Activity started by several shareholders, with employees, investment, growth	Activity carried out only by that individual, with no partners or employees	Original text, photography, illustration, music, video work
Liability	The company is liable with its own assets. Shareholders are liable up to the amount of their share capital.	The individual is liable both with the assets allocated to the PFA and with all their personal assets.	Personal contractual liability

Criterion	SRL	PFA	Copyright
Administration	Double-entry bookkeeping and financial statements	Usually simpler records; rules depend on the applicable tax regime	Contract, proof of the work and income records
Access to the money	The money received must be accounted for, and no payment can be made without [supporting documents]	Money received by the PFA can be used by the individual without restriction.	Contractual remuneration, with the applicable tax obligations

How to decide in practice

- Do you sell goods, produce or provide services in an organised way? Look at an SRL or a PFA.
- Does the customer pay to use an original work? Look at copyright and the rights actually granted.
- Do you have partners, capital to raise or a growing team? An SRL allows several shareholders.
- Is the activity regulated? Check the qualifications required and the legal form allowed. Some activities require professional authorisation (these are the liberal professions, such as accounting, tax consultancy, medicine, law, notarial services, etc.).

MINI EXERCISE!

Write in one sentence what you sell, who pays you and what result they get. If you can't describe the result clearly, you need to keep working on your offer!

2. How to set up an SRL

An SRL is set up by registering the legal entity with the National Trade Register Office (ONRC) (https://www.onrc.ro/index.php/ro/).

To actually operate, you also need to organise your accounting, tax and day-to-day operations.

Steps to follow:

Step 1 – Choose the activity and the shareholders

Decide who contributes money (capital) or other resources (physical or intellectual work), who manages the company and how decisions are made.

Then choose the main activity and secondary activities, check whether there are legal restrictions on carrying out the activities you plan, and which permits [1] you need to get authorisation and actually start operating.



Un SRL poate desfășura numai activitățile pentru care s-a autorizat la înregistrarea la ONRC. Dacă desfășoară alte activități decât cele autorizate, poate fi sancționat cu confiscarea veniturilor din activitățile neautorizate.

Lista activităților se regăsește în Clasificarea Activităților din Economia Națională (CAEN), din care trebuie să alegi codurile pentru activitățile pe care îți propui să le desfășori (https://www.onrc.ro/index.php/ro/caen).

Pasul 2 – Rezervă numele firmei și stabilește sediul

An SRL may carry out only the activities for which it was authorised when it registered with the ONRC. If it carries out activities other than those authorised, it may be penalised by having the income from the unauthorised activities confiscated.

The list of activities can be found in the Classification of Activities in the National Economy (CAEN), from which you must choose the codes for the activities you plan to carry out (https://www.onrc.ro/index.php/ro/caen).

[1] The permits required depend on the field of activity, according to the CAEN code, for example: a health permit from the DSP (Public Health Directorate) – for food service; a health operating permit and professional accreditations – for medical activities; a transport licence and certificates – for transport; specific licences and authorisations – for construction, gambling, financial services; an environmental permit, etc.

Step 3 – Prepare the articles of association and the capital

On setting up the company, the shareholders must contribute capital, which will be the SRL's starting "wealth" – the money the SRL starts operating with. The minimum capital for a new SRL is 500 lei. This capital is divided into shares, each with a value called the nominal value. The shareholders decide the nominal value and how many shares each of them will hold, depending on the capital they contributed.

The shareholders appoint the company's director (one of the shareholders or a third party), who handles day-to-day management.

KEEP IN MIND!

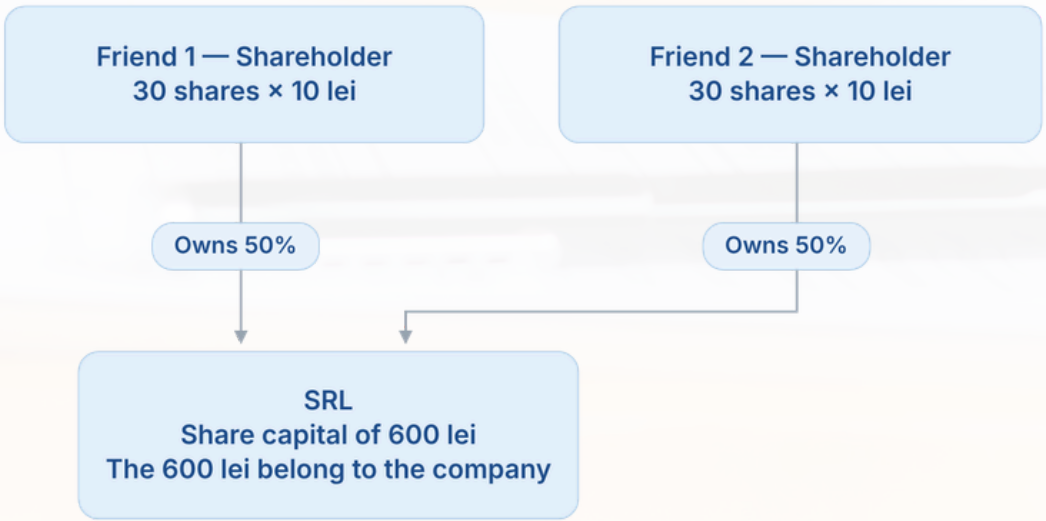
A shareholder owns shares in the company and can receive dividends, while the director runs and represents the company and has their own legal responsibilities; the same person can be both, but the roles are distinct.

Example

If two friends want to set up an SRL, they can decide that the SRL will have a share capital of 600 lei, made up of 60 shares of 10 lei each. If they want to own the company in equal parts, each of them must bring 300 lei from home, for which they will receive 30 shares each.

In conclusion, the new SRL will have a share capital of 600 lei (money brought by the 2 friends), owned 50% by each of the two shareholders. The 600 lei become the property of the SRL and can be used to run the business.

The relationship: Shareholder – Shares – Share capital – SRL



Step 4 – Complete the ONRC file

The file usually includes a number of documents, among them:

- registration application
- annex on tax registration
- proof that the company name has been checked for availability and reserved
- articles of association (you can find a template on the ONRC website)
- identity documents of the founders, directors and auditors
- proof of the right to use the registered office, the statement on operating and the details of the beneficial owner, in the required form
- sworn statement that the conditions for operating / carrying out the activity are met
- any other special documents that apply, depending on the field and nature of the activity.

You can find the full list of required documents and standard forms here: https://www.onrc.ro/index.php/ro/inmatriculari/persoane-juridice/nume-colectiv

Step 5 – Submit and follow up the application

You can submit the registration application through ONRC channels, including online with a qualified electronic signature.

Apoi urmărește eventualele solicitări de completare sau rectificare de informații din partea ONRC (de exemplu, un act, un cod CAEN, dovada sediului etc.) și răspunde acestora în termenul indicat în notificare, altfel dosarul poate fi respins.

Once the file is approved, check the registration certificate, the unique registration code (CUI), the name, the registered office and the CAEN codes for the authorised activities you requested. If there are errors, file an amendment with the ONRC to correct them.


ROMÂNIA
MINISTERUL JUSTIȚIEI
OFICIUL NAȚIONAL AL REGISTRULUI COMERȚULUI
CERTIFICAT DE ÎNREGISTRARE

SRL Registration Certificate
(= the SRL's birth certificate)

NOW... get the company ready to actually start operating and issue its first invoice:

- open the company's current account
- pay in the capital within the legal deadlines; the share capital initially deposited is transferred to the account on the basis of the registration certificate
- organise the accounting – who will keep the books and which documents you need to send them regularly (monthly)
- set up access to the Virtual Private Space (SPV) for dealing with the National Agency for Fiscal Administration (ANAF)
- obtain an authorised electronic signature
- buy a cash register if the business involves sales to individuals
- if you have employees, sign employment contracts with them and register them in REGES Online before they start work
- confirm the applicable tax regime (corporate income tax or micro-enterprise income tax) and decide whether to register for VAT from the start or when you exceed the legal threshold; check the filing obligations linked to these taxes
- set up invoicing and e-Factura (Romania's e-invoicing system).



PRACTICAL TIP!

Share capital is NOT a fee paid to the state, but a resource of the company, which can be used to run the business, in accordance with the law.

To get started, though, budget for more than the share capital. You will need money for: accounting services, buying the electronic signature, banking services, apps, permits, etc. You also need money to cover running costs at the start, until you have income (so-called working capital).

For newly established legal entities, the payment account in Romania or at the Treasury must be opened within 60 working days at most. In practice, it is advisable to open it before your first payment comes in.

3. How to start working as a PFA

A PFA [2] is also set up by registering with the National Trade Register Office (ONRC) (https://www.onrc.ro/index.php/ro/inmatriculari/persoane-fizice).

To actually operate, you also need to organise your accounting, tax and day-to-day operations.

Steps to follow:

Step 1 – Check whether you can carry out the activity as a PFA

Check whether the activity can be carried out as a PFA and whether studies, qualifications or permits are required. To register as a PFA, you must be at least 18 years old.

Step 2 – Choose the CAEN codes and the professional office

Choose at most 5 classes of codes from CAEN Rev.3 (https://www.onrc.ro/documente/anunturi/CAEN-Rev.3_structura-completa.pdf) and set up your professional office. As with an SRL, you must have the right to use the office, for example a loan-for-use agreement (free use) or a lease, but in the case of a PFA the office can be at the individual's home address, if the home is owned by the person setting up the PFA.

The name of the PFA includes the holder's surname and first name and the legal form.

Step 3 – Prepare the registration file

As with registering an SRL, to register a PFA you must submit a number of documents:

- the registration application to the ONRC
- the annex on tax registration
- proof that the name has been checked for availability and reserved
- sworn statement that the conditions for operating / carrying out the activity are met
- the PFA holder's identity document
- proof of the right to use the office
- proof of professional training, where required by law
- any other specific documents that apply, depending on the field and nature of the activity.

[2] The authorised sole trader (PFA) is the best-known and most widely used form in practice for individuals carrying out an economic activity. However, Government Emergency Ordinance 44/2008 also allows two other forms: the individual enterprise (II) and the family enterprise (IF). Although these are used less in practice, check whether the way you plan to work might suit these forms better.

You can find the full list of required documents and standard forms here: https://www.onrc.ro/index.php/ro/inmatriculari/persoane-fizice/persoane-fizice-autorizate-pfa

Step 4 – Submit the file and follow up the application

You can submit the file through ONRC channels, including online with a qualified electronic signature.

Then watch for any requests from the ONRC to complete or correct information (for example, a document, a CAEN code, proof of the office, etc.) and respond within the deadline given in the notification; otherwise the file may be rejected.

Once the file is approved, check the registration certificate, the unique registration code (CUI), the name, the registered office and the CAEN codes for the authorised activities you requested. If there are errors, file an amendment with the ONRC to correct them.

PFA Registration Certificate
(= the PFA's birth certificate)



A PFA has no share capital, but a dedicated (professional) estate made up of assets and cash, which the PFA holder expressly allocates to the PFA's activity and which is separate from the holder's personal assets.

NOW... get the PFA ready to actually start operating and issue its first invoice:

- open the PFA's current account; use a bank account dedicated to the business, even though legally the holder is the same person
- organise the accounting (who will keep the books and which documents you need to send them regularly), as well as a separate record of income and payments
- set up access to the SPV for dealing with ANAF
- obtain an authorised electronic signature
- buy a cash register if the business involves sales to individuals
- if you have employees, sign employment contracts with them and register them in REGES Online before they start work
- check the applicable tax regime (actual income system or income norm) and decide whether to register for VAT from the start or when you exceed the legal threshold; check the filing obligations linked to these taxes (for example, the deadlines for completing and filing the Single Tax Return)
- set up invoicing and e-Factura.



PRACTICAL TIP!

Before your first invoice, do a simple simulation: how much you expect to receive, what expenses you will have and how much you need to set aside for taxes. This way, you set your prices based on the money you actually keep, not just the amount invoiced.

4. How to start working as an author

If you create an original work, you can earn money by exploiting the copyright in it. You don't need to set up an SRL or a PFA for this. You can simply sign a copyright assignment contract with the person who wants to use the work and is willing to pay for it.



A “work” is defined by Law 8/1996 on copyright and related rights. Copyright can be claimed only for a work as defined by law.

Steps to follow:

Step 1 – Identify the work

What original text, photograph, illustration, music or other creation are you delivering? An abstract idea or simply providing a service is not enough.

Step 2 – Set out the rights assigned

Set out which economic rights the client may use, in what ways, in which territory and for how long. State whether the assignment is exclusive or non-exclusive and what the remuneration is for using the work.

Step 3 – Sign the contract

Conclude the contract in writing and keep proof of the creation, delivery and acceptance of the work covered by the contract. The author's moral rights cannot be transferred.

Step 4 – Check your obligations

Give the payer of the copyright income the data and statements needed to determine the tax and social contributions, as applicable. State in the contract whether the negotiated price is gross or net and who pays the related taxes to the state budget. Check your own tax obligations regarding income tax, social contributions, VAT and other taxes, as applicable.

PRACTICAL TIP!

You don't have to set up a PFA or an SRL just to exploit your own copyright. Protection of an original work does not depend on registering with the ONRC; tax obligations, however, must be checked separately.

5. Tax obligations of an SRL

Tax obligations are the amounts that a legal entity (company) or an individual must pay the state for the activity they carry out, and they take 3 distinct forms: taxes, social contributions and fees [3]. To understand the difference between them, the box below briefly defines and gives examples of each.

Taxes

A form of levy on part of the income or wealth of an individual or legal entity, which is **mandatory**, **non-refundable** and **without any direct service in return** or in an equal amount from the state.

Examples: corporate income tax, micro-enterprise income tax, tax on income from … (salaries, rent, PFA, copyright, investments, etc.), value added tax (VAT), excise duties (on alcoholic beverages, tobacco products, fuel), customs duties (on products imported from outside the EU), local taxes (for owning land, buildings, cars). In return, you receive general public services (education, defence and public order, culture, infrastructure investment, etc.)

Social contributions

These are **mandatory** amounts through which individuals or legal entities help partly cover certain state expenditure for actions or purposes (social insurance, health, unemployment, etc.) from which these categories of contributors benefit (a direct return, which is not received immediately or in an equal amount).

Examples: the social insurance contribution (CAS), the health insurance contribution (CASS), the work insurance contribution (CAM) paid by employers. In return, insured persons receive a pension and other social insurance benefits, free medical services, unemployment benefit, etc.

Fees

Amounts owed by individuals or legal entities, who in return receive a **direct and immediate service** in the form of public services, whose value is partly covered by the amount of the fee.

Examples: fees for state-owned land or buildings used under concession, fees for issuing certificates (planning, etc.), permits (operating, etc.) and authorisations, fees for using public spaces for advertising displays. Once you have paid the fee, you benefit directly and immediately from the service you paid for.

[3] In everyday Romanian (among citizens and in the media), the generic term “taxe” (fees) is used for all the tax obligations of an individual or legal entity, most likely borrowed from the English word “taxes”, which actually corresponds to the Romanian “impozite”.

Coming back to an SRL, as the figure below shows, it has several types of tax obligations.



First, on the income it earns, every SRL must pay:

- **either corporate income tax = 16% × taxable profit**
- **or micro-enterprise income tax = 1% × revenue earned**

Micro-enterprise income tax can be applied only by companies that meet certain conditions (see the table below), and it is better suited to companies that are just starting out, as well as to those with high profit margins.

The micro-enterprise tax system is a simplified one that does not require complex tax records, so it generates lower administrative costs. However, micro-enterprise income tax can be used only if the following conditions are met:

Indicator	Condition to be met to pay micro-enterprise income tax in 2026
Revenue level	Less than EUR 100,000 (including linked enterprises [4])
Share capital	Held by parties other than the state

[4] In short, legal entities A and B are **linked** if: A holds more than 25% of B's equity interests / voting rights, OR B holds more than 25% of A's equity interests / voting rights, OR a third legal entity (C) holds more than 25% of the equity interests / voting rights in both A and B, etc.

Indicator	Condition to be met to pay micro-enterprise income tax in 2026
Legal status	Not in dissolution followed by liquidation
Number of employees	At least 1 employee
Shareholders	If a shareholder holds at least 25% in several companies, only one of them can apply micro-enterprise status.
Financial statements	Financial statements are filed within the legal deadline

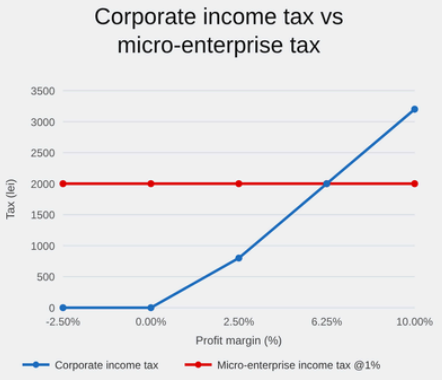
The following example analyses which tax system is more advantageous for a legal entity, depending on its profit margin. Starting from the same level of revenue (200,000 lei), several scenarios are analysed for expenses and therefore profit (from a loss or zero profit up to a 10% profit margin). With losses or low profit margins, corporate income tax is the more advantageous system (with losses, this system also lets you recover them in later years, without paying any tax in the loss-making years). If the profit margin exceeds 6.25%, the micro-enterprise tax system becomes more advantageous (only if the conditions above for applying it are met).

Example

Revenue	200,000	200,000	200,000	200,000	200,000
Expenses	205,000	200,000	195,000	187,500	180,000
Profit	-5,000	0	5,000	12,500	20,000
Profit margin (profit/revenue)	-2.50%	0.00%	2.50%	6.25%	10.00%
Corporate income tax	0	0	800	**2,000**	3,200
Micro-enterprise income tax @1%	2,000	2,000	2,000	**2,000**	2,000

Profit margin < 6.25% ➔ Corporate income tax

Profit margin > 6.25% ➔ Micro-enterprise income tax



PRACTICAL TIP!

Check with your accountant or a tax adviser whether you meet the conditions for applying micro-enterprise income tax. Although the rules seem simple, the details make the difference, and a mistake can be costly!

Once a tax system has been applied at company level, it's time to answer the next question: "***I'm a shareholder in an SRL. How does the company's profit reach me?***"

For the net profit (what remains after tax) to reach the shareholder, it must be distributed as dividends. Dividends received by a shareholder are taxed separately from the company's profit; the tax rate on dividends in 2026 is 16%! As a shareholder, you also owe CASS (health insurance contribution), depending on which threshold your dividend income falls into.

CASS calculation thresholds (in force for 2026)

For investment income (dividends, interest, capital gains), rent, copyright, income from other sources, etc. (this does not include salary income or income earned as a PFA), the annual thresholds for checking which bracket applies and calculating the actual **CASS** are set based on the national gross minimum wage in force on **1 January 2026**, which was **4,050 lei**, as follows:

- Up to 6 minimum wages (24,300 lei) ➜ no CASS is due
- Between 6 minimum wages (24,300 lei) and 12 minimum wages (48,600) ➜ CASS = 10% × 24,300 = 2,430 lei
- Between 12 minimum wages (48,600 lei) and 24 minimum wages (97,200) ➜ CASS = 10% × 48,600 = 4,860 lei
- Over 24 minimum wages (97,200) ➜ CASS = 10% × 97,200 = 9,720 lei

Example – from the company's profit to the shareholder's money

A micro-enterprise has revenue of 200,000 lei and expenses of 120,000 lei, which include the cost of the required employee. Assume that the profit is distributed in full as dividends and paid in 2026. The calculation shows that, of the company's net profit after tax (78,000 lei), the shareholder is left with 60,660 lei, after the tax on dividend income is withheld and the shareholder declares (through the Single Tax Return) and pays CASS.

Calculation	Lei
Micro-enterprise tax (200,000 × 1%)	2,000
Net profit after tax (200,000 − 120,000 − 2,000)	78,000
Dividend tax (78,000 × 16%)	12,480
Net dividends received	65,520
CASS (income between 12 and 24 minimum wages) (48,600 × 10%)	4,860
Amount left to the shareholder after taxes and contributions	60,660

6. Tax obligations of a PFA

On the income it earns, a PFA owes: income tax, CAS (social insurance contribution) and CASS (health insurance contribution). These are calculated on annual income.

To calculate them, the PFA must determine its net income [5], which can be established using one of the following two methods:

- the actual income system
- the income norm

Tax system	Rule for determining the tax base
ACTUAL INCOME SYSTEM	Net income = Receipts – Deductible payments
INCOME NORM	Net income = Annual income norm published by ANAF [6]

INCOME TAX = 10% x (NET INCOME – CAS – CASS)



Under the actual income system, receipts and payments must be recorded and documents proving the expenses incurred must be kept. Under the income norm system, no accounts need to be kept; tax is paid on the value of the income norm, regardless of actual income and expenses.

CAS calculation thresholds for a PFA (in force for 2026)

For income earned as a PFA, the annual thresholds for checking which bracket applies and calculating the actual **CAS** are also set based on the national gross minimum wage in force on **1 January 2026**, which was **4,050 lei**, as follows:

- Net income < 12 minimum wages (48,600 lei) ➜ CAS = 0 lei
- Net income between 12 minimum wages (48,600 lei) and 24 minimum wages (97,200) ➜ CAS = 25% × 48,600 = 12,150 lei
- Net income over 24 minimum wages (97,200) ➜ CAS = 25% × 97,200 = 24,300 lei

[5] In this income tax context, the term “net income” used in the Tax Code does not mean income left after tax, but income net of expenses (the tax base), which is then taxed.
[6] https://static.anaf.ro/static/10/Anaf/AsistentaContribuabili_r/Normevenit2026/Norme_venit_2026.html

CASS calculation thresholds for a PFA (in force for 2026)

For income earned as a PFA, the annual thresholds for checking which bracket applies and calculating the actual **CASS** are also set based on the national gross minimum wage in force on **1 January 2026**, which was **4,050 lei**, as follows:

- Up to 6 minimum wages (24,300 lei) ➜ CASS = 10% × 24,300 = 2,430 lei
- Between 6 minimum wages (24,300 lei) and 72 minimum wages (291,600 lei) ➜ CASS = 10% × net income
- Over 72 minimum wages (291,600) ➜ CASS = 10% × 291,600 = 29,160 lei

Example – annual tax calculation for a PFA

Suppose you have registered a PFA and, from your activity, you receive 200,000 lei and have deductible expenses of 120,000 lei. The calculation shows that, after paying current expenses and taxes (income tax, CAS, CASS), the PFA holder is left with 53,865 lei.

Calculation	Lei
Annual net income (200,000 − 120,000)	80,000
CAS (net income between 12 and 24 minimum wages): 48,600 × 25%	12,150
CASS (net income between 6 and 72 minimum wages): 80,000 × 10%	8,000
Taxable base (80,000 − 12,150 − 8,000)	59,850
Income tax (59,850 × 10%)	5,985
Money left to the PFA holder after paying taxes (59,850 – 5,985)	53,865

7. Tax obligations of an author

In the usual case of an author paid by a company in Romania, tax is withheld at source by the payer at each payment, calculated on gross income minus a 40% flat-rate expense allowance.

NET INCOME = GROSS INCOME – 40% × GROSS INCOME

TAX = 10% x NET INCOME

KEEP IN MIND!

If the author of the work covered by the copyright contract also has salary income, they no longer owe CAS or CASS on their copyright income.

Example – copyright contract (the author also has a salary)

Suppose you have signed a contract assigning the use of a copyright for gross income of 10,000 lei. You are also an employee, so on this income you no longer owe social contributions, only income tax. The calculation shows that the amount left after paying the tax is 9,400 lei.

Calculation	Lei
Gross income	10,000
Deductible flat-rate expenses (40% × 10,000)	4,000
Net income (10,000 – 4,000)	6,000
Income tax (10% × 6,000)	600
Amount left after tax (10,000 – 600)	9,400

If the author does not also earn a salary, they will be subject to CAS and CASS, set according to annual net income as follows:

CAS calculation thresholds for copyright (in force for 2026)
(the bracket is determined taking into account income from copyright and from a PFA)

The annual thresholds for checking which bracket applies and calculating the actual **CAS** are also set based on the national gross minimum wage in force on **1 January 2026**, which was **4,050 lei**, as follows:

- Annual income relevant for CAS < 12 minimum wages (48,600 lei) ➜ CAS = 0 lei
- Annual income relevant for CAS between 12 minimum wages (48,600 lei) and 24 minimum wages (97,200) ➜ CAS = 25% × 48,600 = 12,150 lei
- Annual income relevant for CAS above 24 minimum wages (97,200) ➜ CAS = 25% × 97,200 = 24,300 lei

CASS calculation thresholds for copyright (in force for 2026) (the bracket is determined taking into account copyright income, but also other types of income: rent, dividends, interest, etc.)

The annual thresholds for checking which bracket applies and calculating the actual **CASS** are also set based on the national gross minimum wage in force on **1 January 2026**, which was **4,050 lei**, as follows:

- Up to 6 minimum wages (24,300 lei) ➜ CASS = 0 lei (no mandatory CASS from this group)
- Between 6 minimum wages (24,300 lei) and 12 minimum wages (48,600 lei) ➜ CASS = 10% × 24,300 = 2,430 lei
- Between 12 minimum wages (48,600 lei) and 24 minimum wages (97,200 lei) ➜ CASS = 10% × 48,600 = 4,860 lei
- Over 24 minimum wages (97,200) ➜ CASS = 10% × 97,200 = 9,720 lei

The company paying for the copyright calculates, withholds, declares and pays the tax as well as the social contributions, where applicable. The author must keep track of all contracts and, in certain cases, file the Single Tax Return when required, including for differences arising from combined income or where the payer is foreign (not tax resident in Romania).

PRACTICAL TIP!

Before signing a copyright contract, ask: “Is the price gross or net? Which taxes and contributions do you withhold, and what document will you give me certifying the income and the contributions withheld?”

8. Should you register for VAT or not?

VAT is assessed independently of the legal form of the business !!!

VAT is a tax that a business includes in the price of the services/goods it sells, collects from customers and pays to the state. An SRL, a PFA and an author all fall within the scope of VAT because they are businesses. However, they may not have to charge VAT as long as their sales are below the annual exemption threshold of **RON 395,000 a year**, calculated under the special VAT rules.

Once this threshold is exceeded, VAT registration must be requested no later than the date it is exceeded, the date from which the normal VAT regime applies, including to the transaction that caused the threshold to be exceeded.

How does VAT work along an economic chain?



PRACTICAL TIP!

Keep track of your sales so that you don't exceed the 395,000 lei/year threshold without registering for VAT. You can also register voluntarily before exceeding the threshold. Voluntary registration can be useful for some business models.

9. How to work with clear contracts

A good contract explains what you deliver and when you get paid. For small projects, an accepted and documented quote can be useful, but it does not replace the special form required by law, for example for assigning copyright.

Clause	The question it must answer
Parties and representation	Who am I signing with, and who can legally bind the client?
Subject and deliverables	How many products, pages or clips? In what formats? What is not included in the price?
Price and tax obligations	Fixed or hourly price? Does it include VAT? Is it gross or net for the author?
Payment	What advance do I ask for? When do I invoice? What is the due date and the account?
Schedule and acceptance	When do I deliver? What does the client need to give me? How and when do they confirm delivery?
Changes	How many revisions are included, and how much do extra ones cost?
Rights to the content	Who can use it, where and for how long? Can I show it in my portfolio?
Termination and liability	What happens in case of cancellation, delay or non-payment? What damages are covered?
Confidentiality and data	What information do I protect? Do I process personal data for the client?

Example – concrete commercial terms

Project: four vertical clips of up to 45 seconds. Price: 2,000 lei, plus VAT if due. Advance: 40%. Balance: within 10 days of invoicing the delivery. Two rounds of revisions are included, based on consolidated feedback. Changing the approved concept is quoted separately.

The delivery deadline is tied to receiving the materials from the client. Usage rights, when they are granted and use in the portfolio are set out explicitly. These terms are an example of what to negotiate, not a complete contract.

How to reduce the risk of non-payment

- Check the name and CUI (registration code), the company's status and the person signing. For larger amounts, check the company's financial position and whether it is insolvent.
- Ask for an advance in proportion to the costs you commit; for a long project, invoice in stages.
- Keep the order, important discussions, delivered versions and confirmation of receipt. An invoice alone does not always prove the whole service.
- Send a reminder before the due date and follow up overdue payments weekly. Suspend work only in accordance with the contract and the law.

10. The difference between business money and personal money

In an SRL, the company's money belongs to the company, even if you are the sole shareholder. A PFA is not a separate legal person in the same way, but keeping finances separate remains essential for proper record-keeping and correct payment of taxes.

How can money legally go from an SRL to the shareholder?

Transaction	What must be in place
Salary or director's remuneration	Real work/mandate, documents and appropriate tax treatment.
Dividends	Distributable profit, financial statements and a shareholders' resolution. Interim distribution is quarterly, with interim financial statements and an annual reconciliation.
Reimbursement of expenses	You paid real company expenses; there are documents and a justification. It is NOT a way to pay for personal purchases.
Repayment of a loan made to the company	A real, documented loan, an outstanding balance and a bank transfer. Legal restrictions related to the company's financial position must be respected.

You can't distribute profit just because there is money in the account!!!

There must be profit approved through financial statements.

With a PFA, withdrawing money is not a dividend!

You can transfer money for personal use without any additional dividend tax. The withdrawal is not a deductible expense and does not reduce taxable income. Keep enough cash for annual tax obligations, paying suppliers and day-to-day operations.

11. What risks you take on as an entrepreneur

On the one hand, being an employee has certain disadvantages (the employer sets the tasks, working hours and place of work) and even risks (for example, losing your job), but it has the advantage that your obligations are limited to those set out in the employment contract and job description, while also giving you a number of rights (pay through a salary, paid annual leave, the assets needed for the work are provided by the employer).

On the other hand, entrepreneurship gives you autonomy and room to grow, but shifts onto you the commercial risk (you have to find customers), financing periods with weaker income, responsibility for paying salaries (if you have employees), etc.

Criterion	Employee	Entrepreneur
Income	Agreed salary; you depend on the employer	You depend on sales, costs and payments received
Leave	Paid annual leave as provided by law	You fund your own breaks and cover
Sickness and social protection	Entitlements under the insurance system	You check insurance and eligibility for benefits separately
Pension	CAS is usually paid on the gross salary	Dividends do not count towards your pension record. You must insure yourself separately.
Equipment and costs	Usually covered by the employer	You pay for equipment, marketing, accounting and mistakes
Liability	Work duties and liability within the limits of the law	Contractual, tax, professional and sometimes personal liability
Time	Regulated working hours and rest	More control, but also unbillable work and pressure

Five risks and concrete measures

- ***A single client brings in most of your income***.
  Build alternatives and estimate (financially) what happens if that client leaves.
- ***The client pays late.***
  Ask for an advance, track due dates and limit the value of unpaid work.
- ***The price doesn't cover the work.***
  Include selling, admin, revisions and time between projects, not just the hours spent doing the work.
- ***A mistake causes damage.***
  Use checking procedures, backups, permitted contractual limits and appropriate professional insurance.
- ***You depend on a platform.***
  Keep your portfolio, contracts and your own channel for communicating with clients; follow data protection rules.

PRACTICAL TIP!

Keep business money separate from personal money, and build both business savings and personal savings. A rough target is for business savings to cover 3–6 months of essential expenses, adjusted to how stable your income is.

12. The most common mistakes when starting out as an entrepreneur

The mistake	What to do in practice
Investing before validating demand	Test the problem and the offer with potential customers; make a simple version before buying stock or expensive equipment.
Choosing the legal form based only on the tax rate	Simulate income, expenses, social contributions and personal money for a whole year.
Setting your price based on competitors	Calculate your own cost, unbillable time, risk and margin.
Working without clear terms	Confirm deliverables, revisions, price, advance and due date in writing.
Confusing invoicing with getting paid	Track invoices issued and unpaid balances separately.
Spending without keeping money aside for taxes	Regularly set aside an amount estimated with your accountant, revised against actual results.
Overlooking clients abroad	Check VAT and documents before the first transaction, including when buying ads and apps.
Thinking everything that goes through the company is deductible	Keep the documents and the link to the business; keep personal consumption separate from company activity.
Leaving everything to the accountant	Decide who issues invoices, who submits, who checks the SPV and who pays. The director keeps their responsibilities.

Worksheet for your own idea

My customer is _____
Their problem / need is _____
I sell _____
The price is _____
The estimated cost is _____
I find my first customers through _____
I get paid within _____ days
The legal form to look into is _____
The main risk is _____

In the Annex you will find a simplified business plan template.

PRACTICAL TIP!

Before saying “the business works”, check three things: customers come back, the margin is positive and you get paid on time!

Annex

Simplified business plan template

1. The business idea

Describe the idea in no more than three sentences: what you sell, what need you meet and why someone would pay for this solution.

My business offers [...] to [...], helping them to [...]

2. Customers and their needs

Who buys and who uses the product or service? [...]

[...]

What need / problem does the customer have, and how do they solve it now?

[...]

How often do they buy, and what budget do they have?

[...]

Where can I find and contact these customers?

[...]

How do I check the need before I invest?

[...]

3. The offer and the competition

What exactly is the product or service I sell?

[...]

What does the offer include, and what is paid for separately?

[...]

Compare at least three alternatives the customer already has, including doing it themselves or putting off the purchase.

Competitor or alternative	Offer and price	How I stand out
1. **[...]**	**[...]**	**[...]**
2. **[...]**	**[...]**	**[...]**
3. **[...]**	**[...]**	**[...]**

4 How I find customers and how I sell

How do I get my first five customers?

[...]

Channel	Concrete action	Estimated budget	Target result
Referrals	**[...]**	**[...]** RON	**[...]** clients
Social media	**[...]**	**[...]** RON	**[...]** clients
Direct contact	**[...]**	**[...]** RON	**[...]** clients
Partnerships	**[...]**	**[...]** RON	**[...]** clients

Stages of the sale: contacting the customer, identifying the need, the offer, acceptance, delivery and payment.

How do I keep customers and encourage them to come back?

[...]

Track how many paying customers you get and how much it costs you to attract them. The number of views alone doesn't show whether the business is selling.

5 How I organise the business

Describe the resources you need and how you will deliver what you promise. For the legal form and applicable obligations, check the rules before launching.

Legal form and permits to check

[...]

Premises, equipment and suppliers needed

[...]

Who works in the business, and what is each person responsible for?

[...]

How do I organise contracts, invoicing and accounting?

[...]

How many orders can I fulfil each month, and how quickly?
[...]
How do I check the quality of the products or services?
[...]

Plan sales within your real delivery capacity. A promise you can't keep can mean extra costs and lost customers.

6. Initial investment and financing

Estimate the money needed before launch and the reserve for the first months. Use real quotes whenever possible.

What the money is for	Estimated amount
Equipment and software	[...] RON
Fit-out and deposit for the premises	[...] RON
Initial stock and materials	[...] RON
Set-up and other start-up costs	[...] RON
Website and launch promotion	[...] RON
Other initial investments	[...] RON
Reserve for the first months	[...] RON
TOTAL NEEDED	[...] RON

Source of financing	Amount available or confirmed
Own funds	[...] RON
Partners' contributions	[...] RON
Loans	[...] RON
Other confirmed sources	[...] RON
TOTAL FINANCING	[...] RON

The difference between the money needed and the financing available

[...]

How do I cover this difference?

[...]

Keep start-up investments separate from monthly expenses. Don't treat financing that you have applied for but that has not been approved as money already available.

7. Prices and profitability

Choose the unit you sell: a product, an hour, a project or a subscription. If you have several offers, repeat the calculation for each and take into account the expected sales mix.

Item	My estimate
Unit sold	**[...]**
Selling price per unit (Pu)	**[...]** RON
Variable cost per unit (VCu)	[...] RON
Monthly fixed costs	[...] RON
Estimated number of units sold	**[...] pcs**

Variable costs rise with sales, for example materials or packaging. Fixed costs stay the same within the range of activity analysed, even if sales volume changes, for example rent, depreciation of equipment or certain subscriptions. It is essential to estimate costs correctly.

Break-even point in units = Monthly fixed costs / (Pu – VCu)

The formula applies if the price is higher than the variable cost per unit. Round up when you can only sell whole units.

Simplified example

Price: 500 RON/ pc; variable cost: 100 RON / pc; fixed costs: 2,000 RON a month. Break-even point: 2,000 / (500 – 100) = 5 pcs / month.

If you expect to sell 8 pcs a month, then:
Revenue = 8 x 500 = 4,000 RON
Variable costs = 8 x 100 = 800 RON
Fixed costs = 2,000 RON
Result before tax = 1,200 RON.

My break-even point
[...] pcs
Estimated monthly result before tax
[...] RON

Include the value of your own work in the analysis. If the business looks profitable only because you work without paying yourself for your time, you need to rethink the price or the way you work.

8 Estimated profit and cash flow

*Fill in the estimates monthly for the first 12 months. Below is a grid for the first three months, which you can duplicate for the following months. Keep the result of the business (**profit = revenue – expenses**) separate from the actual movement of money (**cash flow = receipts – payments**).*

ESTIMATED PROFIT

Operating budget	Month 1	Month 2	Month 3
Units sold	**[...]**	**[...]**	**[...]**
Sales revenue	**[...]**	**[...]**	**[...]**
Variable costs	**[...]**	**[...]**	**[...]**
Fixed costs	**[...]**	**[...]**	**[...]**
Result before tax	**[...]**	**[...]**	**[...]**

Result before tax = Revenue – Variable costs – Fixed costs

ESTIMATED CASH FLOW

Cash available	Month 1	Month 2	Month 3
Cash at the start of the month	**[...]**	**[...]**	**[...]**
+ Receipts from customers	**[...]**	**[...]**	**[...]**
+ Financing received	**[...]**	**[...]**	**[...]**
– Operating payments	**[...]**	**[...]**	**[...]**
– Investment payments	**[...]**	**[...]**	**[...]**
– Taxes and contributions paid	**[...]**	**[...]**	**[...]**
– Loan instalments and other payments	**[...]**	**[...]**	**[...]**
– Dividends distributed	**[...]**	**[...]**	**[...]**
Cash at the end of the month	**[...]**	**[...]**	**[...]**

Cash at the end of the month = Cash at the start + Receipts – Payments

The closing balance of one month becomes the opening balance of the next. Avoid counting payments twice in different categories. Investments, financing and loan repayments can affect the result and the cash available in different ways.

In which month could I run out of money, and what will I do?
[...]

An invoice issued does not automatically mean money received. Plan receipts for the realistic payment date, and taxes and other payments for their deadlines set by law or agreed in the contract.

IMPORTANT NOTE:

The financial forecast of cash flows does not stop at the first 12 months; it should cover a longer period (for example, 5 years). After estimating the cash flows and the discount rate (which should take into account the time value of money and the risks taken by the entrepreneur), a number of indicators can be determined, such as net present value (NPV), internal rate of return (IRR), profitability index, payback period, etc. Different scenarios for how they may evolve in an uncertain environment can then be analysed.

9. Risks and how to manage them

Risk	Effect on the business	Prevention or response measure
Sales below expectations	**[...]**	**[...]**
Customers who pay late	**[...]**	**[...]**
Rising costs	**[...]**	**[...]**
Losing an important customer	**[...]**	**[...]**
Temporarily being unable to work	**[...]**	**[...]**

Test the following scenarios separately and, if useful, together: sales 30% lower, costs 15% higher and payments received one month late.

What happens to the result, and how much extra money do I need?

[...]

10. Goals and first steps

Set measurable targets and actions with clear deadlines. Examples: interviews with potential customers, the first paid orders or reaching break-even.

Deadline	Measurable goal	Main action	Person responsible
30 days	[...]	[...]	[...]
3 months	[...]	[...]	[...]
6 months	[...]	[...]	[...]
12 months	[...]	[...]	[...]

I continue or expand the business if ...
[...]
I change the offer or the way I work if ...
[...]